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SUBJECT: Novosibirsk: United Russia Stronghold With High
Tech Hopes

Summary

11. (SBU) United Russia's (YR) dominance in Russia's regions is evident in Novosibirsk, where YR holds the governorship, has an absolute majority in the regional parliament, does not view the emergence of the second Kremlin party "A Just Russia" as a threat, and dismisses the influence of "democratic" parties. In a city well known for its research institutes and boasting 150,000 university students -- a tenth of its population -- Novosibirsk elites see the high technology sector as central to the region's future. Novosibirsk's other main selling point is its location as a transport hub for Siberia. Some grumble that Novosibirsk has a less progressive regional administration than other Siberian regions -- notably Krasnoyarsk -- and is losing ground in attracting new investment. Businesspeople complained of insufficient U.S. investment and a time-consuming process for getting U.S. visas. End summary.

United Russia's Appeal and the Putin Legacy

12. (U) Victor Tolonskiy has been governor of the Novosibirsk region since 1999. He had no formal party affiliation until December 2005 when he joined United Russia. United Russia controls 53 seats in the regional parliament (still known as a "Soviet"), giving it an absolute majority. The other parties in the parliament are: Communists with 24 seats, the Agrarian Party with 14 seats, and LDPR (Zhirinovsky group) with 5 seats; there are also two independents.

13. (SBU) During a late November visit to Novosibirsk, we met with A. Bepalikov, Chairman of the parliament. Bepalikov was highly confident of United Russia's popularity in the region and expressed no doubt the party would capture a majority of the region's vote in the 2007 elections for the State Duma. Bepalikov stressed the importance to voters of the stability, order and improved living standards that Putin had achieved. United Russia's association with these successes means that its place with voters is secure.

14. (SBU) Bepalikov contrasted current trends with the situation in the 1990s, when Russians were living under "warlike conditions." This "period of chaos" had totally discredited Yeltsin and the liberals. Bepalikov recounted that center-region relations had been a shambles; Yeltsin largely cast regions like Novosibirsk adrift. All this had changed under Putin. The "vertical of power," had not subjugated the regions, but rather had saved them. Putin

had reconnected the country and reversed centrifugal forces that could have led to the disintegration of Russia.

15. (SBU) Besspalikov was not worried by the appearance of the newly formed "A Just Russia" (SR) party, predicting that A Just Russia might be less than the sum of its parts. He added that Rodina (a constituent part of SR), LDPR and the Communists were all on the decline in Novosibirsk.

A Just Russia

16. (SBU) Chairwoman of A Just Russia party for the region, Tamara Sharogazova, said A Just Russia would attract voters in Novosibirsk by stressing patriotic and family values. A Just Russia had just as legitimate a claim on the Putin legacy, she asserted. United Russia had become a machine, divorced from traditional values. She underlined that Putin had kept some distance from United Russia. It was the party of the favored and the connected. A Just Russia would reach out to poorer voters, such as pensioners, and make equality, social programs, and patriotism key issues.

17. (SBU) One of the main concerns for A Just Russia is voter apathy. If A Just Russia can not show voters that the party can make a difference, motivated voters from United Russia will dominate. Sharogazova said that much of the fate of A Just Russia in Novosibirsk would depend on the party's national leadership, particularly that of party leader Sergei Mironov. He will have to use his position as Chairman of the Federation Council to the maximum to build support and name recognition for the party -- or it will fail. Sharogazova agreed with YR's Besspalikov that the liberal parties had almost no support in Novosibirsk,

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despite the region's highly educated population. The liberals lacked real leaders and had "done nothing concrete for the people."

Foreign and Trade Relations

18. (SBU) The Foreign Ministry maintains offices in each of Russia's seven Federal districts. For Siberia, the district headquarters is Novosibirsk. We met with Ambassador V. Samoyenko who explained that the MFA presence began in 1996 as a response to regions that were conducting (or were perceived to be conducting) their own foreign and trade policies without coordinating with the center. Samoyenko reports to MFA but answers locally to Presidential Representative (Polpred) for Siberia, Anatoliy Kvashnin who, in turn, reports to Kremlin Chief of Staff Sobyenin.

19. (SBU) Trade promotion is a central facet of Samoyenko's work. He meets with foreign investors and trade missions and accompanies the regional governors on foreign travel. Novosibirsk region's main selling points are its reputation as a high tech center and its role as transportation hub for Siberia - with air, rail, river and road linkages. Samoyenko touted the numerous scientific institutes in Novosibirsk, including at Novosibirsk University and at "Akademgorodok," a special research town outside Novosibirsk that was established in the Sputnik era. There is also a strong machine manufacturing sector.

110. (SBU) Samoyenko said that because ethnic Germans had once been numerous in Novosibirsk, German investors were the number one foreign presence. American investment is small, although Intel has a research center. Samoyenko noted that Chinese were an increasing presence and engaged currently in such projects as construction of a large apartment complex. Ties with neighboring Kazakhstan are excellent with many Kazakhs studying in Novosibirsk.

Business Perspectives

¶11. (SBU) We met with a group of small and medium business leaders. They agreed that the region's 150,000 university students and research institutes, and their focus on applied sciences, was key to the region's future. However, some faulted Governor Tolonskiy for unimaginative leadership. Other governors, like that in neighboring Krasnoyarsk, are doing a better job of attracting new investment, especially in high tech.

¶12. (SBU) The business leaders said many businesspeople join United Russia because it offers the chance for them to "help themselves." Indeed, that is its fundamental attraction. Many entrepreneurs profess to be apolitical and do not see elections as making much of a difference. Some of the businesspeople said the formation of A Just Russia was positive and might provide needed competition to United Russia. They noted that in the absence of a U.S. consulate in Novosibirsk, everyone has to travel to Moscow (or Yekaterinburg) for visas. Often time does not allow for this, hampering development of business with the U.S. The businesspeople said that corruption was a problem in Novosibirsk but was not on the top of their list.

Public Affairs

¶13. (SBU) While in Novosibirsk, we addressed 150 faculty and students at the Academy of Public Administration; gave a talk at the American corner; had dinner with exchange alumni; met with people from the NGO sector, and had a TV and a newspaper interview following our meeting with business leaders.

Comment

¶14. (SBU) Increased prosperity, while most evident in Moscow, is also evident in cities like Novosibirsk, Russia's third largest by population, which has a vibrant commercial, entertainment and business climate. While United Russia is dominant and no clear threat to it is on the horizon, the complacency and over-confidence YR leaders displayed was nonetheless striking.

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